

## Message Text

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PAGE 01 LA PAZ 04368 061234Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 ITC-01  
TRSE-00 /035 W

-----083617 061506Z /72

R 061145Z JUN 78

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1040

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E.O. 11652: N/A

TAGS: EAIR, BL

SUBJECT: CIVAIR: AASANA USER CHARGES

REF: (A) STATE 135135, (B) LA PAZ 1969, (C) LA PAZ 735,

1. AASANA'S REQUEST FOR USER CHARGE INCREASES DOES NOT APPEAR TO HAVE BEEN MORE THAN CASUALLY RELATED TO RECOMMENDATIONS MADE BY THE WORLD BANK IN ITS APPRAISAL OF THE BOLIVIAN AVIATION DEVELOPMENT PROJECT (WORLD BANK REPORT NO. 1458B-BO). ALTHOUGH AASANA INITIALLY SOUGHT TO LINK THE PROPOSED INCREASES WITH WORLD BANK SUGGESTIONS, WE BELIEVE THE CONNECTION WAS BEING MADE PRIMARILY FOR PURPOSES OF WINDOW DRESSING AND THAT THE BANK'S REPORT WAS NOT A KEY FACTOR IN DETERMINING AASANA'S DEMANDS.

2. THE INCREASES SUGGESTED BY THE WORLD BANK WERE RELATIVELY MODEST. PARAGRAPH 6.08 (PAGE 21) OF THE APPRAISAL NOTES THAT QUOTE THE CURRENT LEVEL OF TARIFFS WILL NOT BE SUFFICIENT TO COVER THE OPERATING EXPENSE FOR THE PROJECT PERIOD (1977-1981). THEREFORE, IT HAS BEEN ASSUMED IN THE PROJECTIONS OF THIS REPORT THAT FUTURE TARIFF INCREASES WOULD RESULT IN TOTAL REVENUES BEING INCREASED BY 20 PERCENT IN 1977,  
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20 PERCENT IN 1979, 10 PERCENT IN 1980, AND 10 PERCENT IN 1984. END QUOTE. THE INCREASE IN USER CHARGES REQUESTED BY AASANA (CA 130 PERCENT) DID NOT SQUARE WITH THE REVENUE GAINS ANTICIPATED BY THE WORLD BANK. EVENTUALLY, IN THE SECOND ROUND OF NEGOTIATIONS (REF C), AASANA STOPPED USING THE WORLD BANK STUDY AS A JUSTIFICATION FOR ITS DEMANDS.

3. LOCAL BRANIFF OFFICIALS, WHO TOGETHER WITH IATA AND LUFTHANSA REPRESENTATIVES, HAD THE OPPORTUNITY TO EXAMINE AASANA'S BUDGET, BELIEVE THAT CIVIL AVIATION AUTHORITIES WERE HOPING TO UTILIZE REVENUES FROM THE INTERNATIONAL CARRIERS TO PAY A SERIES OF PAST DUE OBLIGATIONS (E.G., SOCIAL SECURITY PAYMENTS) AND TO UNDERWRITE EXPENDITURES UNRELATED TO INTERNATIONAL TRANSPORTATION FACILITIES. AASANA APPEARS TO BE UNDER PRESSURE TO FIND NEW SOURCES OF INCOME AS ITS SUBSIDY FROM THE CENTRAL GOVERNMENT IS BEING REDUCED. THESE FACTORS RATHER THAN THE WORLD BANK RECOMMENDATIONS SEEM TO HAVE DETERMINED THE SIZE OF THE RATE HIKE THAT WAS REQUESTED. AS THE RATE AGREEMENT REACHED THIS YEAR DOES NOT GUARANTEE THAT THE NEW RATES WILL BE DETERMINED FOR ANY LENGTH OF TIME, AASANA MAY REQUEST NEW INCREASES NEXT YEAR.

BOEKER

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRPORT FEES  
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**Decaption Date:** 01 jan 1960  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition Reason:**  
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**TAGS:** EAIR, BL, AASANA  
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